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Covid-19

Social Policy Response Series

Farid Guliyev

Azerbaijan's Social Policy Response to Covid-19: Swift Response, Modest Benefits



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AZERBAIJAN'S SOCIAL POLICY RESPONSE TO COVID-19: SWIFT RESPONSE, MODEST BENEFITS

Farid Guliyev *

ABSTRACT

Azerbaijan's social assistance and income support schemes adopted during the Covid-19 pandemic need to be seen within the context of the country's existing social protection system and safety nets. While the existing system is operational and has the technical capacity to respond and deliver social policies, it has had two key shortcomings: (1) low benefit rates and (2) issues in coverage, notably the exclusion of informal employees and migrant workers. Left unaddressed ex ante, they caught the system off-guard ex post when the coronavirus pandemic broke out. As a result, although Covid-related social assistance measures (especially cash transfers) were implemented without delay and provided some immediate relief for vulnerable and affected social groups, they fell short of covering sizable sections of the population, namely informal workers and Azerbaijanis working in Russia. It is also doubtful that such assistance can improve future wellbeing of vulnerable groups, whose living standards are likely to worsen during and after the economic fallout from the pandemic.

INTRODUCTION

Following the first reported case of Covid-19 on 29 February 2020 and the subsequent surge in coronavirus cases, Azerbaijan imposed a series of lockdown measures to prevent the spread of the disease. At the beginning of March, with only a few cases confirmed, all schools, universities and kindergartens were closed, and on 13 March further restrictions on social gatherings were introduced (Bagirova 2020). A strict quarantine regime was enforced starting 24 March. Lockdown measures were eased somewhat on 27 April but reintroduced again on 18 June after the number of infected citizens spiked (Bagirova & Antidze 2020a). The measures were eased again on 5 August. As of 30 September 2020, the authorities reported 40,229 total confirmed cases, 37,954 recoveries and 591 coronavirus-related deaths (Ministry of Health 2020).

The outbreak of Covid-19 wrought havoc on international energy markets, causing a massive fall in oil demand and a slump in oil prices. As in other oil-producing countries, Azerbaijan's economy suffered a great deal (Guliyev 2020). Closed borders with Iran and Russia, as well as a significant drop in foreign direct investment (FDI) in recent years, amplified the economic downturn. However, as in previous crises, Azerbaijan had an oil savings fund [State Oil Fund, or SOFAZ] with total assets of USD 43 billion to come to its rescue (Ahmadov 2019). SOFAZ sold some of its USD assets in several rounds to keep the foreign exchange rate stable and avoid another devaluation of the manat (Bagirova & Antidze 2020b; Nice 2020). In April, the government rolled out an aid package worth AZN 3.3 billion (OECD 2020a).¹ Azerbaijan's budget is dependent on oil earnings: up to 40–55% of the state budget consists of transfers from the state oil fund (SOFAZ) (ADB 2020). Low oil prices reduced the accrual of fiscal oil revenues into SOFAZ, causing a fiscal deficit (Fitch Ratings 2020). The government had to revise its budget in early August to adjust for the increase in social payments and business support packages. In light of low oil prices (USD 35 per barrel) and the resulting reduced state budget revenue assumption, the revised budget stipulates an increase in transfers from SOFAZ by AZN 850 million, resulting in an increase in the annual state budget deficit from AZN 2.8 billion to AZN 3.4 billion (IMF 2020).

1 Exchange rate on 12 January 2021: USD 1.00 = AZN 1.70; EUR 1.00 = AZN 2.06.

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■ AZERBAIJAN'S SOCIAL PROTECTION SYSTEM

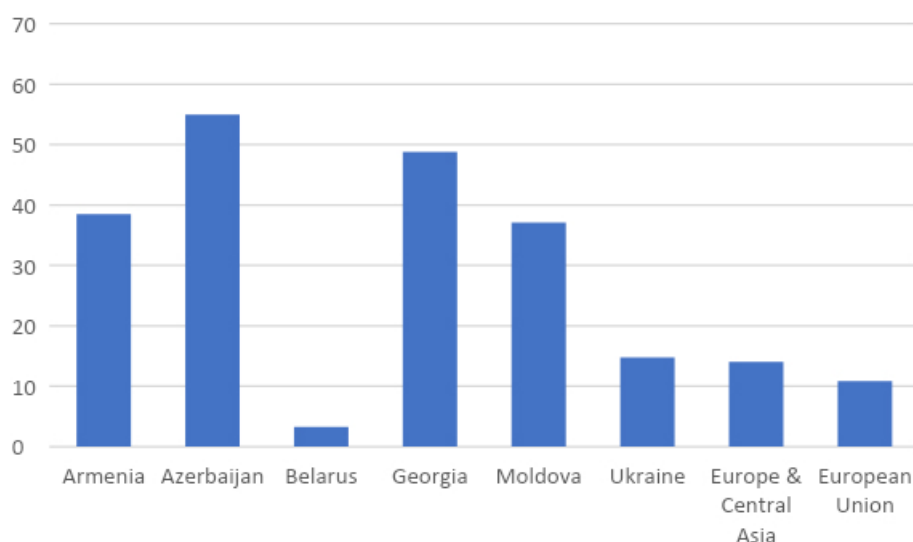
Azerbaijan has a social protection system which has improved its technical and management capacities and service delivery since the completion of a centralized electronic system in 2013. Social protection is administered by the Ministry of Labor and Social Protection of the Population (MOLSPP; Əmək və Əhalinin Sosial Müdafiəsi Nazirliyi) and the State Social Protection Fund (SSPF; Dövlət Sosial Müdafiə Fondu). The SSPF is an extra-budgetary institution responsible for social insurance (sick leave compensations, unemployment benefits) and pensions.

However, there are two deficiencies in the existing social security system: the inadequacy of benefit rates, and gaps in coverage relating to the large size of the “shadow economy” (de Vendevre 2016). The Covid-19 pandemic exposed and revealed these weaknesses embedded in the existing social protection system.

The rate of social benefits remains insufficient to produce sustainable effects on improving living standards and alleviating poverty in the long run. Considering its oil wealth, Azerbaijan has generally underinvested in healthcare provision, social welfare and education of its citizens (Caucasus Analytical Digest 2016; Guliyev 2019). As a result, the quality of education has suffered a decline, enrollment in tertiary education remains low at around 20% (Garcia Moreno & Patrinos 2020), and employers report shortages of high-skilled workers (Rutkowski 2015).

A 2012 World Bank study described government spending on social transfers as “modest” (Onder 2012, p. 8). For example, from 2005 to 2008, there was an increase in the minimum monthly pension by a factor of 2.5, from AZN 25 to AZN 60 (World Bank 2016).² However, AZN 60 was still below subsistence level, implying that beneficiaries of the old pension system without supplemental income were living far below the poverty line. In recent years, minimum pensions have been further raised, affecting 660,000 people. Most recently, by a presidential decree dated 1 October 2019, the minimum monthly pension rate was increased to AZN 200 (now about EUR 100), which, after accounting for the devaluation of the national currency in 2015, makes this raise look quite modest (‘Minimum pension level’, 2019). Social allowances are set at a fixed rate of AZN 66 for old-age and disability, AZN 61 for survivors.

■ **Figure 1.** Share of vulnerable workers in Eastern Partnership [EaP] countries as a percentage of total employment (2020)



Note: vulnerable workers are defined as self-employed workers without employees or contributing family workers
Source: World Bank Development Indicators 2020

Given the insufficiency of social transfers in alleviating poverty, especially in rural areas, many vulnerable groups rely on informal safety nets – i.e. kinship, family networks and community networks of mutual assistance, as well as inflows of remittances from Russia, where thousands of Azerbaijanis work (Sadigov 2018). These shortcomings

2 The exchange rate was AZN 1 = EUR 1 at that time.

are amplified by Azerbaijan's retention of the Soviet-style healthcare model, run through a centralized planning system with public ownership of medical facilities and funded through the state budget (Bonilla-Chacin, Afandiyeva & Suaya 2018, p. 14). As public expenditure on health has been relatively low and the introduction of mandatory health insurance has been delayed, many citizens rely on out-of-pocket (OOP) payments – such expenditures constitute 83.9% of total current health spending (World Bank/WHO 2017). Azerbaijan set up the State Agency for Mandatory Health Insurance (İcbari Tibbi Sığorta üzrə Dövlət Agentliyi) in 2016 to steer the process of gradual introduction of mandatory health insurance (first piloted in three regions, Mingachevir, Yevlakh, and Aghdash), a process which was expected to be completed this year (2020). However, due to the Covid-19 pandemic and rising costs, the introduction was postponed until 2021 (Talibli 2020).

Not only the rate of social benefits is insufficient: social assistance also does not cover informal workers and the self-employed, who comprise a sizable portion of the working-age population. These individuals are not covered by the existing social security system due to lack of a formal employment contract. Informal employment is estimated at 26.5% of non-agricultural jobs. According to International Labour Organization estimates, 407,000 persons held informal jobs in Azerbaijan as of October 2009 (Sayfutdinova 2015; Guliyev 2015). Furthermore, as much as 55% of the labor force in Azerbaijan have been designated as “vulnerable workers” (see Figure 1) (OECD Eurasia 2020; World Bank 2020).

■ AZERBAIJAN'S SOCIAL POLICY RESPONSE

The authorities' response to Covid-19 is encompassed in two key executive decisions: Presidential Order No. 1950 dated 19 March 2020 (which mentioned budget allocations to the amount of AZN 1 billion) and the Action Plan (Tədbirlər Planı) prepared according to the Cabinet of Ministers' Order No. 135 released on 4 April 2020 covering the period April–December 2020 (Presidential Order 2020; Action Plan 2020). The presidential order tasked a working group within the Ministry of Economy to identify vulnerable enterprises and workers and estimate losses due to coronavirus. Implementation of Covid-related support policy was steered by the special “Covid-19 Operational Headquarters” created under the Cabinet of Ministers.

The government increased expenditure on public health (AZN 8.3 million) and established a Covid Response Fund on 19 March (AZN 114 million) (IMF 2020; Presidential Decree No. 1948). With respect to social welfare, the government announced income support programs targeting vulnerable groups and businesses such as low-income households and microentrepreneurs (see Table 1).

■ **Table 1.** Azerbaijan: Specific support measures for business owners, socially vulnerable groups and employees according to the Cabinet of Ministers Action Plan released on 4 April 2020

Measure	Amount (in million AZN)
Partial coverage of salaries	215
Support to microentrepreneurs	80
Temporary public jobs	54
Subsistence and unemployment payments*	230
Pensions	200
Targeted social assistance	4.5
Energy and education subsidies	20
Additional funds to Entrepreneurship Development Fund	50
Total	853.5

*Note: the total for unemployment payments (cash transfers) indicated here is from the IMF, and was later increased to AZN 336 million to cover more people. Source: IMF, Policy Responses to Covid-19, last updated: 11 September 2020, <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-Covid-19>; Action Plan of Cabinet of Ministers 2020, <https://cabmin.gov.az/az/document/4367/>

The government's social support package had three key components, focusing mostly on cash transfers, job retention and employment-related compensations: (1) support for contract-based employees ("müddü işçilər"), (2) support for individual entrepreneurs ("fərdi (mikro) sahibkarlar"), and (3) cash support for unemployed and low-income individuals working in informal jobs ("işsiz və xüsusi karantin rejimində işini itirən qeyri-formal işləyən aztəminatlı şəxslər") (Ahmadov et al. 2020).

The government claims that its existing social protection programs (i.e. social security and employment) cover 4.8 million citizens (48% of the total population of 10 million), including 1.7 million employees through secured salaries, 2 million citizens through social insurance (pensions, scholarships), 350,000 through targeted social assistance, 600,000 through cash transfers in April–May (283,000 in July), 90,000 through new public works jobs, 12,000 self-employed families through support for small entrepreneurs, 20,000 through unemployment insurance, and 100,000 families through food support (Ministry of Labor and Social Protection 2020a). The total allocated government support equals AZN 2.5 billion. Up to 42.5% of state budget expenditures (or about AZN 4.984 billion) in the first half-year 2020 were socially-oriented payments (Gasimli 2020).

Support for contract-based employees

According to the Action Plan, contract-based employees ("müddü işçilər") – both public and private sector – were eligible to receive partial compensation for wage losses due to Covid-19 covering the first two months of the pandemic in Azerbaijan (April–May) (Ministry of Taxes 2020a). The average monthly wage, AZN 712, was used as the main criterion for determining eligibility (Ministry of Economy 2020a).

In the first phase, 215,689 employees were covered and the government allocated funds to the amount of AZN 98 million, meaning each beneficiary received on average AZN 454 (as of 28 July 2020) (Vergiler.az 2020a). While government sector employees received full compensation, private sector employees got only partial compensation for their salaries. The number of government sector employees was estimated at 900,000 (Ministry of Labor and Social Protection 2020b).

In the second stage, covering the months August–September, 228,175 persons were covered with a total of AZN 50.4 million (as of 18 August 2020) (Ministry of Taxes 2020b).

Support for individual microentrepreneurs

Microentrepreneurs were identified as those who pay the simplified tax rate of 2%. If in 2019 they paid less than AZN 250 in taxes, they would receive that amount in support, i.e. AZN 250. The ceiling for cash support was set at AZN 5,000 (Ministry of Economy 2020a).

As of 6 August 2020, in the first stage, 106,907 taxpaying entrepreneurs received AZN 63.6 million, i.e. receiving on average AZN 695. In the second stage, 49,329 taxpaying microentrepreneurs received aid to the sum of AZN 12.3 million (as of 13 August 2020) (Ministry of Economy 2020b).

Support for the unemployed and informal workers

Unconditional cash transfers have been the most widespread form of social protection response to Covid-19 in Azerbaijan (Gentilini et al. 2020). Here the government adopted a simple scheme – paying a lump sum of AZN 190 (calculated as the monthly minimum income level) to 200,000 persons for two months (April, May) as well as for the creation of 50,000 new public works jobs. This coverage was later extended to 600,000 unemployed and informally employed persons and the number of public works jobs was increased to 90,000 (from the already high 60,000) (Ministry of Labor and Social Protection 2020c).

In April–May, each month 600,000 persons received cash payments (the total amount spent for these first two months reached AZN 229 million) (see Table 2). During the month of June, when a strict quarantine regime was in force in only certain cities and regions, the one-off cash payment covered 283,000 individuals, totaling about AZN 55 million (Vergiler.az 2020b). In the fourth installment completed on 21 August 2020 (after skipping the month of July) (Azadliq Radio 2020a), 272,000 persons received cash totaling AZN 52 million. The grand total of cash payments during the quarantine period thus amounted to AZN 333 million (Ministry of Labor and Social Protection 2020d).

Table 2. Cash transfers during the pandemic

	April	May	June	August
N of people	600,000	600,000	283,000	272,000
Sum (in million AZN)	229		55	52

Source: Vergiler.az, <https://vergiler.az/news/social/9963.html>

Gaps and Shortcomings

First, while the government's response was generally in line with policy reactions in other countries, it seems doubtful that the amount of social support was enough to support individuals and small business entrepreneurs in life after the pandemic. Cash transfers up to the amount of the minimum wage of AZN 190 (AZN 6.3 or EUR 3 per day) is barely enough to make ends meet and many households have experienced falling standards of living, potentially raising the risk of social discontent. Azerbaijan's support for microentrepreneurs may also be insufficient considering the fragility of SMEs (small and medium-sized enterprises) in emerging market economies with weak private sectors (Guliyev 2020).

Moreover, unconditional cash transfers were allocated to individuals and families without taking into account their needs and whether a person had any dependents. Persons who had a salaried spouse were excluded from aid provision, while unemployed single adult children were eligible even if their parents were wage earners. Disparities were apparent. For example, a single woman without a child would receive the same fixed amount as a divorced woman with two children. The transfer scheme also failed to consider a person's income level – obviously, individuals without any personal savings (obviously hinging on past income) were hit the worst, and would logically need much more substantial relief.

Second, how inclusive is Azerbaijan's social security system? At least two large groups seem to be excluded: informal workers and Azerbaijani migrants living in Russia. Informal workers were excluded from cash support schemes in other countries as well (OECD 2020b; Yu 2020).

Support packages missed thousands of self-employed as well as temporarily/informally employed people. If the government admitted paying 600,000 individuals unemployment and low-income benefits, this indicates that the real unemployment rate is almost certainly higher than the officially declared 5–6% (297,800 people); possibly up to 12% of the population may be currently unemployed (Azadliq Radio 2020b). This comes in addition to the existing social protection system already being geared towards formal and contract-based employees, since only those with formal job contracts are entitled to social security benefits such as pensions and social allowances.

Azerbaijan has a sizable community of expatriates living in Russia and supporting their families back home with remittances. As of early 2019, this number is estimated at around 670,000. Azerbaijani workers have been hit hard due to lockdown measures in Russia, and closed borders (since March 2020) made it difficult to impossible to send money home (Quinn 2020). It is estimated that remittances sent by Azerbaijanis abroad amount to EUR 926.7 million annually. In June 2020, hundreds of Azerbaijanis (300 persons), some of whom reportedly lost their jobs in Russia, attempted to cross the border at Dagestan, leading to clashes with riot police (Azerbaijanis Arrested 2020).

CONCLUSION

While the Azerbaijani government took measures to alleviate distress during the Covid-19 pandemic through increased social payments and implemented the announced policies swiftly, questions remain as to whether the rate of social benefits was sufficient to provide socially vulnerable groups with sufficient income to meet their needs during and after the pandemic. Although the authorities attempted to target the most vulnerable groups, such as low-income households, large sections of the population appear to have been left behind. These large segments include informally and self-employed individuals and remittance-sending migrants.

There seems to be an urgent need to improve reporting and accounting standards for data collection in Azerbaijan. The social program schemes would have benefitted from incorporation of monitoring and evaluation mechanisms; developing such mechanisms would allow better design and targeting of social assistance policies in the future.

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APPENDIX 1: SOCIAL POLICY DEVELOPMENTS IN RESPONSE TO COVID-19 BY POLICY AREA
(AZERBAIJAN, JANUARY–SEPTEMBER 2020)

	Policy Area	Pensions	Healthcare	Long-term care and disability	Labor market	Education
(1)	Have there been any significant legislative reforms in the indicated policy area during the indicated time period?	No	Yes	No	Yes	No
(2)	If (1) yes, have any of these reforms been explicit responses to the Covid-19 pandemic?	N/A	Yes	N/A	Yes	N/A
(3)	If (2) yes, has there been significant regional variation in the implementation of these reforms?	N/A	No	N/A	No	N/A
(4)	Have subnational governments enacted any significant legislative reforms in the indicated policy area during the indicated time period?	No	No	No	No	No
	Policy Area	Family benefits	Housing	Social assistance	Other*	
(1)	Have there been any significant legislative reforms in the indicated policy area during the indicated time period?	No	No	Yes	N/A	
(2)	If (1) yes, have any of these reforms been explicit responses to the Covid-19 pandemic?	N/A	N/A	Yes	N/A	
(3)	If (2) yes, has there been significant regional variation in the implementation of these reforms?	N/A	N/A	No	N/A	
(4)	Have subnational governments enacted any significant legislative reforms in the indicated policy area during the indicated time period?	No	No	No	N/A	

* Legislative reforms in other policy areas explicitly aimed at social protection, e.g. food subsidies or tax cuts aimed at social protection.

APPENDIX 2: SOCIAL POLICY LEGISLATION IN RESPONSE TO COVID-19 (AZERBAIJAN, JANUARY–SEPTEMBER 2020)

Note: This appendix covers all major national social policy legislation published between 1 January 2020 and 30 September 2020.

Law 1		
(1)	Number of law	Presidential Order No. 1950
(2)	Name of law (original language)	Koronavirus (COVID-19) pandemiyasının və bundan irəli gələrək dünya enerji və səhm bazarlarında baş verən kəskin dalğalanmaların Azərbaycan Respublikasının iqtisadiyyatına, makroiqtisadi sabitliyə, ölkədə məşğulluq məsələlərinə və sahibkarlıq subyektlərinə mənfi təsirinin azaldılması ilə bağlı bir sıra tədbirlər haqqında Azərbaycan Respublikası Prezidentinin Sərəncamı Nazirlər Kabinetinin "Koronavirus (COVID-19) pandemiyasının və bundan irəli gələrək dünya enerji və səhm bazarlarında baş verən kəskin dalğalanmaların Azərbaycan Respublikasının iqtisadiyyatına, makroiqtisadi sabitliyə, ölkədə məşğulluq məsələlərinə və sahibkarlıq subyektlərinə mənfi təsirinin azaldılması ilə bağlı bir sıra tədbirlər haqqında" Azərbaycan Respublikası Prezidentinin 2020-ci il 19 mart tarixli 1950 nömrəli Sərəncamının 10.2-ci bəndinin icrası ilə bağlı Tədbirlər Planı
(3)	Name of law (English)	Presidential Order on measures to reduce the negative effects of the coronavirus (Covid-19) pandemic and concomitant volatility in the world energy and stock markets on the economy, macroeconomic stability, employment and entrepreneurship in the Republic of Azerbaijan Action Plan by the Cabinet of Ministers (Order No. 135s) related to Presidential Order No.1950 dated 19 March 2020
(4)	Date of first parliamentary motion ³	Not applicable
(5)	Date of law's enactment ⁴	04 April 2020
(6)	Date of law's publication	19 March 2020
(7)	Is the Covid-19 pandemic explicitly mentioned as a motivation in the law or any accompanying text?	Yes
(8)	Was the Covid-19 pandemic a motivation for the initial parliamentary motion for this law?	Not Applicable
(9)	Was the Covid-19 pandemic a motivation for a significant revision of the legislative project after the initial parliamentary motion?	Not Applicable
(10)	Note on (7)-(9)	The president has unlimited decree power. Legislative approval is not required in most cases.
(11)	Was this law a legislative package that contained multiple social reform components?	Yes
(12)	If (11) yes, how many distinct social reform components did it contain?	2 (labor support [partial wage compensation]; social assistance [one-off cash support])

³ The president has unlimited decree power. Legislative approval is not required in most cases.

⁴ According to Article 113 of the Azerbaijani Constitution, "If a different procedure is not envisaged in decrees and orders, they come into effect from the day of publication." https://www.constituteproject.org/constitution/Azerbaijan_2016.pdf?lang=en

Law 1: Component 1		
(13)	Policy Area	Labor market
(14)	Brief description of reform component	Contract-based employees received a partial compensation for wage losses due to Covid-19. The average monthly wage of AZN 712 [Euro 355] [1 AZN=0.5 Euro] was taken as the main criterion. Implementation was carried out in two stages. In the first phase covering April–May, some 215,689 employees benefited from this scheme. In the second stage, covering the months of August–September, about 228,175 persons were covered (as of 18 August 2020).
(15)	Change in coverage of existing benefits?	Maintenance
(16)	Duration of coverage change?	Not Applicable
(17)	<i>If fix-term</i> , duration in months	April-May / August-September
(18)	Note on (15)-(17)	Not Applicable
(19)	Change in generosity of existing benefits?	Maintenance
(20)	Duration of generosity change?	Fix-term
(21)	<i>If fix-term</i> , duration in months	4
(22)	Note on (19)-(21)	Not Applicable
(23)	Introduction of new benefits?	No
(24)	Duration of new benefits?	Not Applicable
(25)	<i>If fix-term</i> , duration in months	Not applicable
(26)	Note on (23)-(25)	Not applicable
(27)	Cuts of existing benefits?	No
(28)	Note on (27)	Not Applicable
(29)	Estimated cost of reform in 2020 (national currency)	AZN 215 million
(30)	Estimated cost of reform in 2021 (national currency)	Not Applicable
(31)	National Currency Code (ISO 4217)	4217
(32)	Source of cost estimation	Other
(33)	Note (29)-(31)	Source of cost estimation: Ministry of Taxes; IMF
(34)	If the implementation of the reform should already have started, has the reform been implemented?	to a large degree

Law 1: Component 2		
(13)	Policy Area	Social assistance
(14)	Brief description of reform component	According to this scheme, all formally unemployed persons received a one-off cash payment to the amount of AZN 190 (94.5 Euro) (calculated based on the minimum income level) covering up to 200,000 persons in April and May, and later extended to 600,000 unemployed and informally employed persons in June and August. Also up to 90,000 new temporary public works jobs were created.
(15)	Change in coverage of existing benefits?	Expansion
(16)	Duration of coverage change?	Not Applicable
(17)	<i>If fix-term</i> , duration in months	April-May-June-August
(18)	Note on (15)-(17)	Not Applicable
(19)	Change in generosity of existing benefits?	Not Applicable
(20)	Duration of generosity change?	Fix-term
(21)	<i>If fix-term</i> , duration in months	4
(22)	Note on (19)-(21)	Not Applicable
(23)	Introduction of new benefits?	Not Applicable
(24)	Duration of new benefits?	Not Applicable
(25)	<i>If fix-term</i> , duration in months	4
(26)	Note on (23)-(25)	Not Applicable
(27)	Cuts of existing benefits?	No

Law 1: Component 2		
(28)	Note on (27)	Not Applicable
(29)	Estimated cost of reform in 2020 (national currency)	AZN 336 million
(30)	Estimated cost of reform in 2021 (national currency)	N/A
(31)	National Currency Code (ISO 4217)	4217
(32)	Source of cost estimation	Other
(33)	Note (29)-(31)	Source of cost estimation: Ministry of Labor and Social Protection
(34)	If the implementation of the reform should already have started, has the reform been implemented?	completely

Law 2		
(1)	Number of law	Presidential decree No. 1948 dated March 19, 2020
(2)	Name of law (original language)	Azərbaycan Respublikasında əhəlinin sağlamlığının qorunması və koronavirus infeksiyasına qarşı mübarizənin gücləndirilməsi ilə bağlı tədbirlər haqqında Azərbaycan Respublikası Prezidentinin Fərmanı Koronavirusla Mübarizəyə Dəstək Fondunun vəsaitinin formalaşdırılması, idarə olunması və ondan istifadə
(3)	Name of law (English)	Presidential Decree on measures to improve public health and fight against the coronavirus infection On the establishment and management of Coronavirus Response Fund
(4)	Date of first parliamentary motion ⁵	Not Applicable
(5)	Date of law's enactment ⁶	19 March 2020
(6)	Date of law's publication	19 March 2020
(7)	Is the Covid-19 pandemic explicitly mentioned as a motivation in the law or any accompanying text?	Yes
(8)	Was the Covid-19 pandemic a motivation for the initial parliamentary motion for this law?	Not Applicable
(9)	Was the Covid-19 pandemic a motivation for a significant revision of the legislative project after the initial parliamentary motion?	Not Applicable
(10)	Note on (7)-(9)	The president has unlimited decree power. Legislative approval is not required in most cases.
(11)	Was this law a legislative package that contained multiple social reform components?	No
(12)	If (11) yes, how many distinct social reform components did it contain?	Not Applicable

Law 2: Component 1		
(13)	Policy Area	Healthcare
(14)	Brief description of reform component	The government increased expenditure on public health to the amount of AZN 8.3 million and established a Covid-19 Response Fund on 19 March (total amount: AZN 114 million) (Presidential Decree No. 1948). (Official webpage: http://covid19fund.gov.az/az/) The aim is to finance various measures to fight the spread of Covid-19.
(15)	Change in coverage of existing benefits?	Expansion

⁵ The president has unlimited decree power. Legislative approval is not required in most cases.

⁶ According to Article 113 of the Azerbaijani Constitution, "If a different procedure is not envisaged in decrees and orders, they come into effect from the day of publication." https://www.constituteproject.org/constitution/Azerbaijan_2016.pdf?lang=en

Law 2: Component 1		
(16)	Duration of coverage change?	Don't know
(17)	<i>If fix-term</i> , duration in months	From 19 March to 31 December 2020 – but can be extended by president's decision.
(18)	Note on (15)-(17)	Not Applicable
(19)	Change in generosity of existing benefits?	Not Applicable
(20)	Duration of generosity change?	Not Applicable
(21)	<i>If fix-term</i> , duration in months	9 months with the possibility of extension
(22)	Note on (19)-(21)	Not Applicable
(23)	Introduction of new benefits?	Yes
(24)	Duration of new benefits?	Indefinite
(25)	<i>If fix-term</i> , duration in months	Not applicable
(26)	Note on (23)-(25)	Not Applicable
(27)	Cuts of existing benefits?	No
(28)	Note on (27)	Not Applicable
(29)	Estimated cost of reform in 2020 (national currency)	AZN 114 million
(30)	Estimated cost of reform in 2021 (national currency)	N/A
(31)	National Currency Code (ISO 4217)	4217
(32)	Source of cost estimation	Other
(33)	Note (29)-(31)	Source of cost estimation: http://covid19fund.gov.az/az/
(34)	If the implementation of the reform should already have started, has the reform been implemented?	partially